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News Release

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Minneapolis woman sentenced to 15 months in prison for filing false claims

A 28-year-old Minneapolis woman was sentenced today in federal court to 15 months in prison on one count of false claims for tax refund.

United States District Court Judge Paul Magnuson also sentenced Nicole Brown, formerly known as Nicole Delaney, to three years of supervised release July 24 in St. Paul. Brown pleaded guilty on April 9, and was indicted on Feb. 19.

According to Brown's plea agreement, she prepared federal individual income tax returns for various people, including friends, relatives and others. Brown arranged to file the returns electronically with the Internal Revenue Service.

Brown admitted that on Jan. 13, 2007, she filed a false tax return for a friend of hers for tax year 2006. The refund sought was \$4,210, and the return included false W-2 form information pertaining to her friend's employment.

The individual was not employed at the business named in the W-2 form during the relevant time period, and if the return had been filed with the correct information, the individual would have been entitled to an actual refund of \$43.

Brown also admitted that she knowingly made and presented to the IRS 41 false claims for tax refunds, including the claim underlying the count to which she pleaded guilty, as well as her own for tax years 2002-2004. The total attempted loss amount is approximately \$198,136, including \$126,081 in false federal tax claims and \$50,897 in false state tax claims for others and a total of \$21,158 in false federal and state tax claims for herself.

Authorities caught some of the false returns before refunds were issued, resulting in an actual loss to the IRS of \$71,884, and an actual loss to the Minnesota Department of Revenue of \$3,132. Brown was ordered to make full restitution to those agencies.

This case was the result of an investigation by the IRS-Criminal Investigation Division, and is being prosecuted by Assistant U.S. Attorney Nicole A. Engisch.